Attorney Docket No. 026117.0102 PTUS

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application: **Swearingen et al.**	§	Group Art Unit: 3692
Serial No.: **09/663,151**	§	Examiner: **Subramanian, Narayanswamy**
Filed: **September 15, 2000**	§	Attorney Docket No.: **026117.0102 PTUS**
For: **METHOD AND SYSTEM FOR EXECUTING TRADES IN A USER PREFERRED SECURITY**	§	Confirmation No.: 2668

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Dear Sir:

This request is being submitted with a Notice of Appeal.

STATUS

Claims 67-114 are presently pending, of which claims 67, 82, 83, 98, 99 and 114 are in independent form with claims 68-81, 84-97, 100-113 dependent from claims 67, 83 and 99 respectively. All prior art based rejections made in the previous office action dated January 5, 2007 were overcome in the response to the office action filed on April 5, 2007. The only remaining issue is the Examiner's rejection of claims 67-114 under 35 U.S.C. §101 as being directed to non-statutory subject matter (Final Office Action dated July 2, 2007, pp. 2-8).

REMARKS

A pre-appeal brief review is needed because the currently rejections are clearly in error. Claim 67 is representative of all independent claims in the group of claims 67-114, and arguments advanced below as to claim 67 are similarly applicable to other claims in this group.

Claim 67 produces a useful, concrete, tangible and reproducible result

Contrary to the examiner's assertion, claim 67 does produce a useful, concrete and tangible result in that an order is sent. The examiner incorrectly contends that because there are no guarantees that a trade will occur, the claim does not produce a useful, concrete and tangible result. The sending of an order, as in claim 67, at the very least will prompt an attempt to trade the security according to the order. Such an attempt in and of itself is a useful, concrete and tangible result. Therefore, for the purposes of a useful, concrete and tangible result, whether a trade actually occurs is moot.

In support of the concreteness-of-result requirement, the examiner cites, but misinterprets, the holding in *In re Swartz*, 232 F.3d 862, 864 (Fed. Cir. 2000). The Swartz Court held that where asserted results produced by the claimed invention are "irreproducible," the claim should be rejected under §101. The examiner stretches the meaning of the word "irreproducible" used by the Swartz Court to mean that the invention has to produce the same result at all times. The examiner declares that the opposite of concrete is "unrepeatable or unpredictable," and then seeks to prove, incorrectly, that the claim produces "unrepeatable or unpredictable" results because the user can select different securities causing the trade of a different security, thereby changing the result.

The Swartz court did not state or intend that meaning. For an invention to be statutory under the examiner's interpretation of *In re Swartz*, the claim would have to specifically name a security and the invention would have to execute a trade of that security and no other. Such an invention would not be useful for anything other than a particular security. *In re Swartz* did not read into the patent statute such a severely restrictive requirement on the scientific creativity in patentable inventions. *In re Swartz* does not require uniformity of the results beyond uniformity of inputs. *In re Swartz* provides that the invention should be able to reproduce the same result given the same set of inputs, not regardless of inputs.

In accordance with *In re Swartz*, claim 67 does produce the same order for the same trade with the same inputs. Therefore, the claimed invention produces a concrete result – the sending of an order for a trade execution. The result is further reproducible if the process of the claim is followed again with the same security in the manner claimed. The process embodied in claim 67 further produced reproducible results in that an order to execute a trade in the user selected security is reproducibly sent for any security the user may

select. Therefore, claim 67 contains subject matter patentable under 35 U.S.C. §101, and implementing the steps of claim 67 does produce useful, concrete and tangible results that are reproducible under *In re Swartz* holding.

"Sending an order to execute a trade" is a positive limitation on claim 67

The limitation "to execute a trade" is not an intended use of "sending an order," as asserted by the Examiner. This fact is abundantly clear based upon the USPTO's own history of prosecuting such claim language. Hundreds of patents have issued from USPTO containing similar limitations. For example, see U.S. Pat. Nos. 7,257,615 (claim 1: receiving a user command to execute the service application); 6,665,222 (claim 1: receiving a first or second burst command to execute a first or second burst operation); U.S. Pat. No. 7,266,840 (claim 29: an instruction to execute a function at the application server); and U.S. Pat. No. 6,920,585 (generating a first execute instruction to execute the first test). Clearly, a command to execute something, or an instruction to execute something is not dissimilar from an order to execute a trade, so that the former language is not an intended use and allowable but the latter is an intended use and not allowable. Therefore, by the USPTO's own history of prosecuting such claim language, the limitation "sending an order to execute a trade" is not an intended use of sending the order.

Claim 67 embodies a process that transforms an article to a different state

Furthermore, the limitation "sending an order" transforms an article or physical object to a different state or thing, and therefore includes one of the practical applications of the §101 judicial exception. Including the various code segments in the computer readable medium transforms the computer readable medium – a physical thing – to a state that is different from the state of the computer readable medium before including those instructions. Therefore, without more, claim 67 is directed to statutory subject matter allowable under 35 U.S.C. §101.

Additionally, states of a system are markers of events occurring in the system. A state transition occurs when an event occurs in the system. A computer that reads the computer readable medium including the code segment for sending an order, is in one state prior to sending the order. A sending event according to claim 67 necessarily places the computer in a different state than the state before sending. Therefore, the "sending an

order" limitation of claim 67 transforms the computer – a physical thing – to a different state. Therefore, claim 67 includes subject matter allowable under 35 U.S.C. §101.

Claims 99-114 are patentable on the same bases as claim 67

Next, the examiner improperly rejects claims 99-114 by removing the "to execute a trade" limitation as an intended use, again, and rejecting the remainding limitations in these claims as merely data gathering steps and therefore claiming a mathematical algorithm. The examiner cites many cases in support of variations of the above rejection, all variations being based on the flawed disposition of the limitation "to execute a trade" as described above. The examiner is incorrect in applying these cases to claims 99-114 in at least two ways. First, whether each of the cited case-law in fact stands for what the examiner cites it for is moot because the examiner's underlying premise for applying these or other case-law to claims 99-114 is incorrect. Second, even if the cases do hold what the examiner says they hold, they do not apply to these claims.

For example, the examiner cites *In re Richman*, 563 F. 2d at 1030 for asserting that data gathering steps as antecedent steps do not make the claim statutory. Claims 99-114 include "sending an order to execute a trade" limitation, which is not a data gathering step. Therefore, these claims include more than just the data gathering steps and this case is inapplicable to these claims. The examiner also cites *In re Walter*, 618 F. 2d 758 (CCPA 1980), in support of the assertion that the preamble, while including a "field of use" or "end use" is insufficient to make the claim statutory. Again, the non-data gathering step of "sending an order to execute a trade" is not dependent on the preamble in the way *Walter* rejects. The examiner further cites *In re Johnson*, 589 F. 2d 1070 (CCPA 1978) to allege that merely claiming an invention in the form of an apparatus or computer readable storage mediums does not make the claim statutory. The statutory process embodied in claims 99-114 is sufficient to make the claims statutory and this case is also inapplicable to these claims.

Because "to execute a trade" is not an intended use of "sending an order," the limitation "sending an order to execute a trade" is a step in a process that produces useful results. Therefore, claims 99-114 are directed to a process to produce a useful result, which is a statutory subject matter patentable under 35 U.S.C. §101.

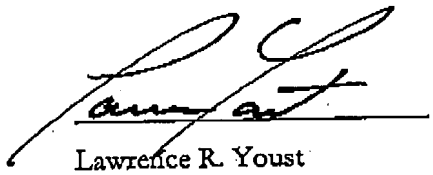
CONCLUSION

Because the examiner's statements with regard to the meaning of "to execute a trade" are clearly incorrect, a pre-appeal brief review is necessary. A pre-appeal brief review is also necessary because the examiner's characterization of claims 67-114 as either not producing a useful, concrete and tangible result, or being directed to a mathematical algorithm is also clearly incorrect for the reasons described above.

All prior art based rejections made in the previous office action dated January 5, 2007 were overcome in the response to the office action filed on April 5, 2007. Appellants respectfully urge the Pre-Appeal Brief Conference Panel to overturn the examiner's rejections of claims 67-114 under 35 U.S.C. §101 and allow these claims. The Pre-Appeal Brief Conference Panel is invited to call the undersigned at the below-listed telephone number if, in the opinion of the Panel, such a telephone conference would expedite or aid the prosecution of this application.

Dated this 10th day of September, 2007

Respectfully submitted:



Lawrence R. Youst
Reg. No. 38,795
Patton Boggs, LLP
2001 Ross Avenue, Suite 3000
Dallas, Texas 75201
Tel 214.758.3414
Fax 214.758.1550